

Congressional Budget Office under section 308(b) and in aid of section 311 of the Congressional Budget Act of 1974, as amended. This report meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32, the first concurrent resolution on the budget for 1986.

This report shows the effects of congressional action on the budget through January 10, 1996. The estimates of budget authority, outlays, and revenues, which are consistent with the technical and economic assumptions of the 1996 concurrent resolution on the budget (H. Con. Res. 67), show that current level spending is above the budget resolution by \$9.5 billion in budget authority and by \$13.3 billion in outlays. Current level is \$43 million below the revenue floor in 1996 and \$0.7 billion below the revenue floor over the 5 years 1996-2000. The current estimate of the deficit for purposes of calculating the maximum deficit amount is \$258.9 billion, \$13.3 billion above the maximum deficit amount for 1996 of \$245.6 billion.

Since my last report, dated December 19, 1995, Congress cleared and the President signed the ICC Termination Act, Public Law 104-88; the Smithsonian Institution Commemorative Coin Act, Public Law 104-96; and further continuing appropriations, Public Law 104-94. These actions changed the current level of budget authority and outlays.

This is my first report for the second session of the 104th Congress.

The report follows:

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, DC, January 22, 1996.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget, U.S. Senate,
Washington, DC.

DEAR MR. CHAIRMAN: The attached report for fiscal year 1996 shows the effects of Congressional action on the 1996 budget and is current through January 10, 1996. The estimates of budget authority, outlays and revenues are consistent with the technical and economic assumptions of the 1996 Concurrent Resolution on the Budget (H. Con. Res. 67). This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended.

This is my first report for the second session of the 104th Congress.

Sincerely,

JUNE E. O'NEILL.

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, FISCAL YEAR 1996, 104TH CONGRESS, 2D SESSION, AS OF CLOSE OF BUSINESS JANUARY 10, 1996

[In billions of dollars]			
	Budget resolution (H. Con. Res. 67)	Current level ¹	Current level/over under resolution
ON-BUDGET			
Budget Authority	1,285.5	1,295.0	9.5
Outlays	1,288.1	1,301.4	13.3
Revenues:			
1996	1,042.5	1,042.5	² 0
1996-2000	5,691.5	5,690.8	-0.7
Deficit	245.6	258.9	13.3
Debt Subject to Limit	5,210.7	4,900.0	-310.7
OFF-BUDGET			
Social Security Outlays:			
1996	299.4	299.4	0.0
1996-2000	1,626.5	1,626.5	0.0
Social Security Revenues			
1996	374.7	374.7	0.0

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, FISCAL YEAR 1996, 104TH CONGRESS, 2D SESSION, AS OF CLOSE OF BUSINESS JANUARY 10, 1996—Continued

[In billions of dollars]			
	Budget resolution (H. Con. Res. 67)	Current level ¹	Current level/over under resolution
1996-2000	2,061.0	2,061.0	0.0

¹ Current level represents the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

² Less than \$50 million.

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 104TH CONGRESS, 2ND SESSION, SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1996, AS OF CLOSE OF BUSINESS JANUARY 10, 1996

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues			1,042,557
Permanents and other spending			
legislation	830,272	798,924	
Appropriation legislation		242,052	
Offsetting receipts	-200,017	-200,017	
Total previously enacted	630,254	840,958	1,042,557
ENACTED IN FIRST SESSION			
Appropriation bills:			
1995 rescissions and Department of Defense Emergency Supplementals Act (P.L. 104-6)	-100	-885	
1995 rescissions and Emergency Supplementals for Disaster Assistance Act (P.L. 104-19)	22	-3,149	
Agriculture (P.L. 104-37)	62,602	45,620	
Defense (P.L. 104-61)	243,301	163,223	
Energy and Water (P.L. 104-46)	19,336	11,502	
Legislative Branch (P.L. 105-53)	2,125	1,977	
Military Construction (P.L. 104-32)	11,177	3,110	
Transportation (P.L. 104-50)	12,682	11,899	
Treasury, Postal Service (P.L. 104-52)	15,080	12,584	
Authorization bills:			
Self-Employed Health Insurance Act (P.L. 104-7)	-18	-18	-101
Alaska Native Claims Settlement Act (P.L. 104-42)	1	1	
Fishermen's Protective Act Amendments of 1995 (P.L. 104-43)		(³)	
Perishable Agricultural Commodities Act Amendments of 1995 (P.L. 104-48)	1	(³)	1
Alaska Power Administration Sale Act (P.L. 104-58)	-20	-20	
ICC Termination Act (P.L. 104-88)			(³)
Total enacted this session	366,191	245,845	-100
ENACTED IN SECOND SESSION			
Smithsonian Institution Commemorative Coin Act (P.L. 104-96)	3	3	
CONTINUING RESOLUTION AUTHORITY			
Further continuing appropriations (P.L. 104-94) ¹	167,467	86,812	
ENTITLEMENTS AND MANDATORIES			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted	131,056	127,749	
Total current level ²	1,294,970	1,301,368	1,042,457
Total budget resolution	1,285,500	1,288,100	1,042,500
Amount remaining:			
Under budget resolution ..			43

[In billions of dollars]			
	Budget resolution (H. Con. Res. 67)	Current level ¹	Current level/over under resolution
ON-BUDGET			
Budget Authority	1,285.5	1,295.0	9.5
Outlays	1,288.1	1,301.4	13.3
Revenues:			
1996	1,042.5	1,042.5	² 0
1996-2000	5,691.5	5,690.8	-0.7
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THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 104TH CONGRESS, 2ND SESSION, SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1996, AS OF CLOSE OF BUSINESS JANUARY 10, 1996—Continued

	Budget authority	Outlays	Revenues
Over budget resolution	9,470	13,268	

¹ This is an estimate of discretionary funding based on a full year calculation of the continuing resolution that expires January 26, 1996. Included in this estimate are the following appropriation bills: Commerce, Justice, State; District of Columbia; Foreign Operations; Interior; Labor, HHS, Education; and Veterans; HUD. Under this assumption, Public Laws 104-91 and 104-92, providing appropriations for certain activities, have no additional effect at this time.

² In accordance with the Budget Enforcement Act, the total does not include \$3,401 million in budget authority and \$1,590 million in outlays for funding of emergencies that have been designated as such by the President and the Congress.

³ Less than \$500,000.

Notes.—Detail may not add due to rounding.

RULES INHIBIT RETRAINING

•Mr. SIMON. Mr. President, Pete DuPont, former Member of the House and former Governor of Delaware, chairs the National Center for Policy Analysis. Recently he had an op-ed piece in the Washington Times about giving prisoners skills and giving them a chance to work which I ask to be printed in full in the RECORD.

I don't know how this gets worked out, but there really is a need to face this problem. And it is a need that should be worked out with labor unions and people who are trying to protect other workers.

We hear a great deal about slave labor in China producing things. I remember a conversation I had with the late Chief Justice Warren Burger in which he said there is another aspect of this. First of all, China has nowhere near the numbers of people in prison that we have in prison. But while they are in prison they are required to work and produce things, and it reduces the recidivism rate.

Obviously, the restrictions on freedom in China have something to do with the lower prison rate, but many nations with a great deal of freedom have a tiny fraction of our incarceration rate.

I urge my colleagues to read the Pete DuPont article. There are no simple answers but the answer we have now is simplistic and wrong.

The article follows:

RULES INHIBIT RETRAINING

Most people would agree that if prisoners learned a skill while they were in jail they could more easily get a job when they got out, and that an ex-prisoner with a job is less likely to commit another crime. Since nearly one-half of people released from prison return to prison within three years, job skills could mean a significant decline in the crime rate.

The problem is that most productive prison work—other than food or laundry work within the prison itself—is against the law.

In 1936, Congress banned convict labor on federal contracts exceeding \$10,000 in value. In 1940, the Ashurst-Summers Act made it a federal crime to transport convict-made goods in interstate commerce. And many state legislatures have enacted laws to prohibit the sale of convict-made goods within their borders. States like New York compromised and adopted the "state-use" system, which permitted convicts to manufacture goods for sale to governmental agencies

only, which provides a very limited market for the fruits of convict labor.

These statutes were a form of protectionism—to protect providers of goods and services in the free market from having to compete with convict labor. Small businesses and labor unions view such competition as unfair, and have successfully prevented relaxation of the statutes. When Congress tried to change the laws in 1979, the best it could do was allow prisoner work if they are paid the prevailing wage, labor union officials approve, local labor is unaffected, and no local unemployment is produced. These criteria are nearly impossible to meet, so a mere 1,660 prisoners, out of 1 million, were working under these waivers in 1994.

It was not always this way. In the last century, prisons earned a major part of their daily cost by leasing convict labor to private employers. In 1885, three-fourths of prison inmates were involved in productive labor, the majority working for private employers under contract and leasing arrangements.

By the 1930s only 44 percent worked, and nearly all worked for state industries rather than for private employers. A 1990 Census found that only 11 percent of prisoners worked in prison manufacturing or farming, down from 16 percent in 1984. If part-time work in laundry and food services is included, only about half of prisoners work.

Many prisoners are eager to work, if only to relieve the tedium of prison life. But more important is that the work is good for society in the long run because it reduces crime. A 1983-87 Federal Post-Release Employment Project study confirmed that employed prisoners do better than others without jobs. Prisoners who work have fewer disciplinary problems in prison and lower rates of re-arrest; they are more likely to get a full-time job; more likely to quit their job in favor of a better-paying job; and less likely to have their supervision revoked for a parole violation or new crime. In the words of Thomas Townsend, president of the Corrections Industry Association, "It's a matter of public safety; inmates who have worked in prison, and gained new skills have a significantly better chance of not returning to crime and prison."

The only disadvantages of more work opportunities for prisoners are the feared competitive effects on local labor markets. But the government's first responsibility is to citizens, not to narrow interest groups. New production benefits all Americans. It raises the demand for their services and creates new goods for purchase. Competition is the strength of our economic system, not a wrong to be righted, so our policies should be breaking down, not erecting, barriers to work—especially when the work will make the streets safer for the rest of us.

Allowing prisoners to work makes sense. Begin by repealing state and federal limitations on inmate pay. Let responsible private businesses competitively bid for the use of prison labor. Let prisons "profit" from accepting these contracts. Provide monetary incentives to prisons and their wardens for leading their institutions to self-sufficiency.

It won't be easy for the private-sector bidders, because prison labor is not easy to use. Difficulties include security problems, lack of skills and good work habits, remote prison locations, and poor worker productivity. At least at the beginning, the market value of prisoner labor will be very low and the quality of their work poor. But both will improve as skills improve.

Across the country a million prisoners are serving time in jail. Each month, 40,000 of them are released under mandatory supervision, on parole, or at the conclusion of their sentences. Our streets would be safer and the crime rate lower if these men had a skill, a job, and the beginning of a future. •

TRIBUTE TO REV. WAYNE SMITH

Mr. MCCONNELL. Mr. President, I rise today to recognize Rev. Wayne B. Smith, a man who has served his church, and central Kentucky, for more than 40 years. Reverend Smith is retiring as senior minister of Southland Christian Church in Lexington, which has the area's largest Protestant congregation.

Reverend Smith was 27 years old when he became Southland's founding pastor in 1956. Forty years later he is the only senior minister the church has had and is now one of the most well-known ministers in central Kentucky. Southland Christian has flourished under Reverend Smith, who has a congregation of more than 3,800 plus 50,000 on TV and radio. Known for his sense of humor, Reverend Smith is often referred to as "the Bob Hope of the ministry."

Reverend Smith has been named 1 of the 13 most influential people in Lexington. He served two terms as president of the Lexington Ministerial Association and is a past president of the North American Christian Convention. He is also the charter president of the Lexington Bluegrass Breakfast Lions Club.

Many of Reverend Smith's friends and colleagues have praised him for his humility and his many acts of kindness. Upon his announcement of retirement to the congregation, one Southland member said, "It won't be the same. He is one of those people who you don't replace. There were several people, including me, who had tears in their eyes."

At a farewell ceremony for Reverend Smith, which attracted a crowd of approximately 7,000, his friends gave testimonial after testimonial praising him for being a great servant of the Lord. In his resignation letter, Smith addressed his congregation saying, "You have been a wonderful flock; but also * * * my friends. We have never, for even a moment, felt unloved."

Reverend Smith and his wife Marjorie have two daughters and five grandchildren. Although he is retiring, Reverend Smith won't be able to rest for long as his future plans include speaking engagements and revival meetings across the country.

Mr. President, I would like to pay special tribute to Rev. Wayne B. Smith for his dedicated service to his church, his family, and his community.

HONORING AARON FEUERSTEIN

• Mr. KERRY. Mr. President, after the devastation of a mill fire in Methuen, MA, threatened the community and 2,400 workers who depended on it, Aaron Feuerstein could have turned his back on his employees and closed the factory or moved it out of State. But he chose to stay. He chose to help, and to give something back to those who worked for him. He offered to pay everyone, and he even gave his employees

their Christmas bonuses, will pay their health care premiums for 90 days, and is working to open the factory again as soon as possible.

Mr. President, Aaron Feuerstein's extraordinary generosity during this holiday season has moved Massachusetts and the Nation, and made all of us believe again in the power of community and the real spirit of America. What he has done to help so many families will never be forgotten, and I know that my colleagues in the Senate join me in congratulating him for setting an example of loyalty, leadership, and compassion which is too often lacking in contemporary American society.

He has shown us what true success in business is all about, and what our economy is all about. It's about helping people and families to prosper and to grow together—build together and work together toward a common goal.

The news reports of the reactions of Aaron's workers to his generosity are heartwarming; and the warm response of his loyal employees is a tribute to him and should be the greatest holiday gift anyone could receive.

Mr. President, Aaron Feuerstein has earned a special place in our hearts, and has set a new standard for American corporate leadership.

I have joined with the distinguished senior Senator from Massachusetts and the Massachusetts congressional delegation in pledging to do what we can, at the Federal level, to help this factory and community recover from this catastrophic fire, and I know that my colleagues in the Senate will join me in congratulating Aaron for showing America that loyalty is an essential ingredient not only in business but in the life of a community.

Mr. President, I ask that a recent editorial from the Boston Globe by David Nyhan about the generosity of Aaron Feuerstein be printed in the RECORD.

The editorial follows:

THE MENSCH WHO SAVED CHRISTMAS

(By David Nyhan)

Were it not for the 45-mile-an-hour winds ripping out of the Northwest, the sparks that they carried and the destruction they wrought, Aaron Feuerstein today would be just another rich guy who owned a one-time factory, in a country full of the same.

But the fire that destroyed New England's largest textile operation Monday has turned this 70-year-old businessman into a folk hero. If a slim, determined, devoutly-Jewish textile manufacturer can be Santa Claus, then Feuerstein is, to 2,400 workers whose jobs were jeopardized by the fire.

The flames, so intense and widespread that the smoke plume appeared in garish color on TV weathermen's radar maps, presented Feuerstein with a stark choice: Should he rebuild, or take the insurance money and bag it?

Aaron Feuerstein is keeping the paychecks coming, as best he can, for as long as possible, while he rushes to rebuild, and restore the jobs a whole valley-full of families depend upon.

Everybody got paid this week. Everybody got their Christmas bonus. Everybody will get paid at least another month. And Feuerstein will see what he can do after